

Latin America's Security Puzzle:
Global Trends, Ungoverned Space, Weak Institutions,
Social Rigidity, and Migratory Disruptions

Testimony of

Stephen C. Johnson

Senior Policy Analyst for Latin America

The Kathryn and Shelby Cullom Davis
Institute for International Studies

The Heritage Foundation

Before the

Committee on Armed Services

U.S. House of Representatives

Washington, D.C.

September 21, 2005

The Heritage Foundation is a public policy, research, and educational organization operating under Section 501(C)(3). It is privately supported, and receives no funds from any government at any level, nor does it perform any government or other contract work.

The Heritage Foundation is the most broadly supported think tank in the United States. During 2004, it had more than 200,000 individual, foundation, and corporate supporters representing every state in the U.S. Its 2004 income came from the following sources:

Individuals	56%
Foundations	24%
Corporations	4%
Investment Income	11%
Publication Sales and Other	5%

The top five corporate givers provided The Heritage Foundation with 2% of its 2004 income. The Heritage Foundation's books are audited annually by the national accounting firm of Deloitte & Touche. A list of major donors is available from The Heritage Foundation upon request.

Members of The Heritage Foundation staff testify as individuals discussing their own independent research. The views expressed are their own, and do not reflect an institutional position for The Heritage Foundation or its board of trustees.

Mr. Chairman, distinguished Members of the Committee, it is an honor and a privilege to appear before you today to discuss future security threats in Latin America. I testify today as an individual and do not necessarily reflect the views of my employer, The Heritage Foundation.

I commend you for holding a hearing on this topic while many trends reshape the hemisphere from a status quo that seems familiar and predictable. Your suspicion that it may not be so is appropriate—if our own recent history is any guide.

When Soviet communism collapsed, a former State Department analyst wrote a book on the rosy times ahead. Before 9/11, U.S. officials predicted budget surpluses as far as the eye could see. Few in America's intelligence community saw the coming attacks terror despite warning signs. And even when threats are imminent, we sometimes prefer denial over expeditious action, as we witnessed with Hurricane Katrina.

OLD TRENDS, NEW PRESSURES

Except when Fidel Castro invited the Soviet Union to place nuclear-tipped missiles aimed at American shores in Cuba, no country in Latin America has posed a direct military threat to the United States. Nor is one likely to do so in the next 20 years. For the time being, none has a nuclear weapon. In all likelihood, the region will continue to evolve as a community of democracies and market economies. However, trends suggest that continuing political troubles and social tensions may result in security threats that could impact the United States in significant ways.

These are not the usual threats of conventional armies attacking each other, but international criminal syndicates, terrorist cells, narcoterrorists, partisan armies, and youth gangs. There are non-human threats too, such as natural disasters, disease, and poverty, according to a list presented at the Organization of American States Special Conference on Hemispheric Security two years ago—although poverty is not so much a cause as a symptom of other ills.

Studying threats by themselves does not tell you if or when they will occur. But setting aside chance, it is possible to infer them from political, economic, and social vulnerabilities. Unfortunately, Latin America has plenty. Root indicators include the impact of global demographic and market trends as well as limits state authority, the health of public institutions, patterns of social adaptivity, and migration.

Based on these factors, U.S. policymakers should expect greater levels of local conflict as Latin American nations struggle to catch up in the global marketplace, pay for social programs, and establish public order against a growing number of challenges. Threats will test political leadership and law enforcement while larger numbers of Latin Americans migrate northward, seeking opportunity and safety.

GLOBAL FACTORS

Humankind is expanding everywhere. In 20 years, the combined population of China and India will be 2.7 billion and both countries will have economies that rival the United States. Competing with other nations, they have extended commerce outside Asia to obtain resources for their industries and markets for manufactured goods. Like those in Africa, Latin American economies still depend heavily on exporting raw materials. The needs of the industrialized world will extend this process.

At the same time, Latin America's population is projected to grow from 559 million in 2005 to more than 700 million in 2025.¹ Although increased commodity sales may benefit state monopolies and large estate owners, they might not provide as much new employment as value-added industries. The addition of millions of new adults to the labor force each year could exhaust the supply of available jobs in a region where unemployment hovers around 20 percent and poverty at 44 percent.

And as China and India advance knowledge-based societies with more schools and better curriculum, most Latin American countries will continue to spend meager amounts on outdated public education systems that rely on rote memorization and authoritarian teaching techniques. Globalization minus social, economic, and cultural reforms will breed frustration and resentment as these societies discover they cannot keep up with the rest of the world.

UNGOVERNED SPACE AND POROUS BORDERS

Colombia has suffered a 40-year guerrilla war because it neglected to impose state authority in rural communities and its countryside. Today it is spending billions to take those areas back from insurgents and narcobandits.

In doing so, it is doubling the size of its military and police forces to about 500,000 in order to 1) match industrial world standards in proportion to population and the country's geographic area, and 2) be able to curb irregular armed groups whose combatants only number about 30,000.

As Colombia takes control and expands public safety zones, diehard rebel leaders will undoubtedly move to other uncontrolled areas. They already have camps in Ecuador, Venezuela, and Peru. Bolivia's piedmont and jungles might be another exploitable wilderness. The largest group, the Revolutionary Armed Forces of Colombia (FARC), reportedly has representatives in many Latin American cities or allied groups it with whom it collaborates.

Elsewhere, Brazil's impoverished urban slums—havens for drug dealing and violent crime—will grow and become even more impenetrable to police than they are today. Lawless Haiti, has

¹ "2005 World Population Data Sheet," Population Reference Bureau, p. 8 at www.prb.org/pdf05/05WorldDataSheet_Eng.pdf (September 18, 2005).

minimal governing authority over its entire territory. Drug and arms traffickers and even Middle Eastern jihadists who once operated out of the Triple Border area between Argentina, Brazil, and Paraguay could make these areas hideouts as well.

WEAK INSTITUTIONS

From colonial times, authority has been concentrated in few hands, according to beliefs that good leaders are more important than accountable institutions. That has not changed. In many countries, party leaders—not members—still choose candidates to run for elections. Federalism that would delegate authority at local levels and expand participation in public service is still largely a dream. Inadequate justice systems in countries like Bolivia, Ecuador, Nicaragua, Haiti, and Mexico fail to protect the public and enforce laws evenly across the social spectrum.

Governance. Ironically, concentrated power leads to weak performance and even perversions of authority. Venezuela has become more corrupt under autocratic president Hugo Chávez who buys loyalty and suppresses dissent. Still unable to trust all members of his government, he has imported Cubans for sensitive security tasks and is creating a parallel partisan reserve army to supplant the original military.

Chávez also leads a wave of new populist politicians who pander to minorities and poor, promising assistance and social programs in exchange for loyalty. By his government's own account, Chávez has done little for Venezuela's majority underdogs. Poverty is worse than when he was first elected in 1998, yet he aspires to make Venezuela a nuclear power.

Indigenous leaders Jaime Solares, Abel Mamani, and Evo Morales are vying to install a similar regime in Bolivia. Such figures may emerge in troubled Ecuador. Nicaragua's two competing party leaders, Daniel Ortega of the Sandinistas and Liberal Arnoldo Alemán are attempting to wrest control the country from President Enrique Bolaños, duly elected in 2001 in a landslide. Alemán is currently serving a 20-year sentence for embezzling and fraud, but crony judges have allowed him to stay at his estate and recently gave him freedom to roam Managua.

Property rights. Weak guarantees are a lingering hallmark of the region's most troubled countries from Haiti to Bolivia, to Venezuela. Sovereignty is popularly viewed as resting in the head of state, as opposed to individual citizens. Land ownership is still a government concession reflecting archaic European traditions. Such concepts promote social inequality by ensuring that only those with connections can obtain titles. Spotty registries deny poor families mortgages to raise capital to start businesses or send children to better schools. Throughout Latin America, constitutions make the state the owner of underground resources. Individual landowners cannot profit from natural treasures beneath their feet—only government bureaucrats.

Crony capitalism. Most economies are closed internal systems that seek to shield the industries of a minority elite while placating the middle class and poor with social programs. Complicated business laws, over-regulation of commerce, and restricted access to credit keep

prospective competitors from starting new enterprises. Though increased foreign trade benefits already established businesses and contributes to overall growth, it fails create enough jobs to keep up with the expanding labor force.

SOCIAL RIGIDITY

There is a danger in lumping distinctive nations together. But generally, values, culture, and elite influences block outlets for self-actualization. Youths growing up in such cultures feel frustrated without knowing why. Instead of promoting independent thinking, parents, churches, and schools encourage accommodation to the way things are. The name for this is corporatism—an antique belief that everyone has a fixed station in life.

Besides thwarting creative thought, corporatism discourages community activism and social integration because people are supposed to know their place. Speaking at a Washington forum, a prominent official from an Andean country remarked this year that discontent among the rural poor could be resolved by social spending. “All they want is shelter and food on the table,” he said. If so, one might ask why so many come to the United States and work hard to send their children to college?

MIGRATION

The U.S. Census Bureau estimates that some 10 million to 12 million illegal migrants now live and work in the United States. Most come from Latin America and 90 percent from Mexico. Web sites of many Latin American newspapers and magazines feature ads by companies that help people relocate to the United States. A popular site in Venezuela is *MeQuieroIr.com* which translated means “I want to leave.” Since 2001, it has provided advice to increasing numbers of middle class adults who want to escape the country’s constricted economy, rampant crime, and political polarization.

Although many comers become productive residents or citizens, some fail to adapt while children of parents who work full-time sometimes fall into gangs. Youth gangs have been a part of America since the nation’s founding, traditionally associated with marginal neighborhoods and transient populations. As migration slows and newcomers become integrated and more prosperous, the phenomenon recedes. However, pressures to migrate are unlikely to abate. Moreover, uncoordinated deportation of gang members to countries of origin have spawned associated groups, whose members commit crimes in Mexico and Central America and re-enter the United States as fast as they can.

POTENTIAL SCENARIOS

Given the factors above, there is some good news but also reason to worry:

- Except for Chile, Latin America will struggle to catch up to the rest of the world in educating its workforce, expanding its economy, and growing jobs leading to increased public frustration.

- Countries where governments are weak and ineffective will become ideological battlegrounds.
- Colombia could improve its governance and join Chile as a linchpin for democracy and free enterprise in South America.
- To protect itself from less favorable conditions to the south, North America may attempt to form a security zone, which is already occurring through informal law enforcement arrangements between local officials in Mexico, Central America, the United States, and Canada. Internal migration problems may linger, however.
- Moderate socialist countries such as Argentina, Brazil, and Uruguay may reject the populist authoritarianism exemplified by Venezuela's Hugo Chávez, but risk becoming adversaries in doing so.
- Chávez will inherit Fidel Castro's leadership of the hemispheric left, and, armed for the moment with petrodollars, attempt to subvert democratic governments and U.S. allies in the region through oil extortion and supporting local activists. Near-term targets are Colombia, Ecuador, Bolivia, and Peru. Longer term, are Panama, Central America, Mexico, and the cultivation of sympathizers in the United States. He would likely attempt to prop up a communist government in post-Castro Cuba and build a nuclear weapon.
- The FARC may develop more operational bases in countries surrounding Colombia.
- Ideologically-motivated terrorists will proliferate and arm themselves with technologically advanced weapons to disrupt communications and commerce.
- Cuba and Venezuela may use migration to place spies and partisan operatives. The Chávez government could launder the identities of Cubans and other immigrants for this purpose.
- Brazil may still be struggling to become a global economic power, but will be overwhelmed by lawlessness among its poor—neglected cheap labor once a competitive advantage.

CONCLUSION

The only constant in nature is change. Despite the most careful predictions, unforeseen events can alter future. Advances in biotechnology and energy research could radically alleviate some of the world's social problems or disrupt the precarious economics of commodity sales. Natural disasters could bring us together or pull us apart. In any case, experience shows that societies that survive and prosper are those that are willing to adapt.

Mr. Chairman, thank you for this opportunity to testify.